

SBA U.S. Small Business Administration

CommunityExpress A Loan Program for Small Business

Even in the best of economies, some entrepreneurs may find it difficult to obtain the financing necessary to turn their ideas into profitable businesses. That's why the U.S. Small Business Administration worked with community leaders of the National Community Reinvestment Coalition to create the *CommunityExpress* Pilot Loan Program.

CommunityExpress combines the SBA's small business lending and technical assistance with the NCRC's community development expertise to help entrepreneurs in traditionally underserved areas. The pilot program is available in various designated areas throughout the country and is expected to run through Sept. 30, 2005.

Loan proceeds under *CommunityExpress* may be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or real-estate acquisitions.

Who Is Eligible?

CommunityExpress loans are available to persons who meet the normal requirements for an SBA business loan guaranty. *CommunityExpress* loan applicants must also —

- be located in one of the specially designated areas, and either
- be located in "low or moderate income" urban or rural areas, or
- be identified as New Markets small businesses. (New Markets small businesses are current and prospective small businesses owned by minorities, women, or veterans, who are underrepresented in the population of small business owners compared to their percentage in the overall population.)

How Does the Program Work?

Selected SBA-participating lenders use streamlined and expedited loan review and approval procedures to process SBA-guaranteed loans. The lenders may also use their own loan analyses, loan procedures and loan documentation. Completed loan applications are submitted for approval to the SBA's processing center in Sacramento, Calif. The SBA provides the lender with a response, typically within 36 hours.

What Is the SBA Guaranty?

The SBA guaranty encourages lenders to make loans that they otherwise might not make on their own. The SBA's *CommunityExpress* guaranty levels are 80 percent on loans of \$100,000 or less and 75 percent on loans of more than \$100,000. The maximum loan amount under *CommunityExpress* is \$250,000.

Terms, Interest Rates and Fees

Interest rates are negotiated between the borrower and the lender. Rates can either be fixed or variable, and are tied to the prime rate as published in The Wall Street Journal. Throughout the loan term, the interest rate may not exceed 2.75 percent over the prime rate.

Maturities on *CommunityExpress* loans are generally five to 10 years. Loans for fixed-assets can be up to 25 years. *CommunityExpress* revolving loans, however, are limited to a maturity of seven years.

The guaranty and servicing fees under *CommunityExpress* are the same as for regular SBA 7(a) guaranty loans.

Technical Assistance

Because many New Markets small businesses face unique problems and challenges, the *CommunityExpres* Program also includes pre- and post-loan closing assistance in the form of marketing, financial, management and planning assistance.

The technical assistance is supplied by local, nonprofit providers associated with the NCRC. *CommunityExpres* lenders work with the NCRC to form partnerships with these community-based providers; the lenders arrange and, when necessary, pay for these services.

Areas Served by CommunityExpres Lenders

The *CommunityExpres* Program is targeted for many low- and moderate-income urban and rural areas across the nation. If you're interested in the *CommunityExpres* program, check with your local SBA district office for participating lenders in your area.

For More Information

- If you would like more information about *CommunityExpres*, contact the NCRC at 202-628-8866, or 733 15th St., N.W. Suite 540, Washington, D.C. 20005; or visit www.ncrc.org. Also see www.sba.gov/loanproducts/communityexpress.
- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or contact:
- Phone: 1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
 - OnLine Electronic Bulletin Board(modem and computer required)
 - 1-800-697-4636 (limited access)
 - 1-900-463-4636 (full access)
 - 202-401-9600 (Washington, D.C., metro area)
- Internet
- Home page: www.sba.gov
- Gopher: gopher.sba.gov
- Telnet: telnet.sba.gov
- U.S. Business Advisor: www.business.gov
- Your rights to regulatory fairness: 1-888-REG-FAIR

Inquire at your local SBA office for the location of the following resources:

- BICs - Business Information Centers
- TBICs - Tribal Business Information Centers
- OSCs — One Stop Capital Shops
- SCORE — Service Corps of Retired Executives
- SBDCs — Small Business Development Centers
- USEACs — U.S. Export Assistance Centers
- WBCs — Women's Business Centers

SBA Publications

- The Facts About ... SBA Publications — a listing of free SBA publications

Did you know that in fiscal 1999 the SBA —

- maintained a guaranteed loan portfolio of more than \$40.5 billion in loans to 486,000 small businesses that otherwise would not have had such access to capital?
- backed nearly 49,000 loans totaling a record \$12.5 billion to America's small businesses?
- made 3,100 investments worth \$4.2 billion through its venture capital program?

- provided more than 36,000 loans totaling over \$936 million to disaster victims for residential, personal-property and business losses?
- extended management and technical assistance to more than 900,000 small business persons through its 11,500 Service Corps of
- Retired Executives volunteers and 1,000 small business development center locations?
- created HUBZones providing federal contracting assistance to small businesses located in “historically underutilized business zones”?

Did you know that the NCRC —

- has 700 community-based member organizations found in every state of the nation?
- is a national association committed to better access to capital and credit in underserved communities?
- develops cooperative efforts with lenders, government and community organizations to build individual and community wealth?

Did you know that America’s 24 million small businesses —

- employ more than 52 percent of the private work force?
- generate more than 51 percent of the nation’s gross domestic product?
- are the principal source of new jobs?

All of the SBA’s programs and services are provided to the public on a nondiscriminatory basis.